

WORKSHARING DISCOUNTS**I. PREFACE****A. Purpose and Content**

USPS-FY19-3 reports worksharing discounts, cost avoidances and passthroughs for market dominant products for FY 2019.

B. Predecessor Documents

Docket No. ACR2018, USPS-FY18-3.
Annual Compliance Determination FY 2018 Chapter 2 (April 12, 2019).

C. Methodology

Costs avoided due to worksharing are developed in the input folders identified in the Input/Output section below. The cost methodologies used are described in the individual input folders. Discounts are developed by taking the differences between the current prices of the workshared pieces and benchmark pieces as shown in USPS Notice 123—Price List, effective June 23, 2019. Passthroughs are calculated for each discount as the ratio of the discount to the avoided cost. For the Periodicals class, bundle and container prices are presented as a percentage of cost. It should be noted that these calculations are not cost avoidances or worksharing passthroughs.

D. Input/Output

This folder relies on estimates of costs avoided due to worksharing, developed in folders USPS-FY19-10, USPS-FY19-11, USPS-FY19-12, USPS-FY19-13, USPS-FY19-15, USPS-FY19-18, USPS-FY19-19, and USPS-FY19-21. Discounts rely on prices from USPS Notice 123—Price List, effective June 23, 2019. Specific sources are listed at the bottom of each table in USPS-FY19-3.

II. ORGANIZATION

In addition to this Preface, USPS-FY19-3 includes an Excel workbook entitled FY19.3.Worksharing Discount Tables.xls. This workbook contains sixteen worksheets showing the benchmark pieces, discounts, cost differentials, and passthroughs for each type of worksharing offered in FY 2019 for market dominant products, along with a seventeenth worksheet showing the Periodicals bundle and container calculations. The following worksheets are included:

FCM Single Piece Letters, Cards
FCM Bulk Letters, Cards
FCM Flats
Periodicals Outside County
Per. Bundle-Container Pricing
Periodicals Within County
Within County Worksheet
Marketing Mail Letters
Marketing Mail Flats Prst Prebcd
Flats & Parcels Dropship
Marketing Mail Prcls&Mkt Prcls
Marketing Mail Carrier Route
Marketing Mail HD-Sat Letters
Marketing Mail HD-Sat Flts&Prcl
Media Mail & Library Mail
Bound Printed Matter Flats
Bound Printed Matter Parcels

In addition to the above Excel spreadsheet, one additional spreadsheet is included to support the calculations of dropship passthroughs resulting from Order No. 4227 in Docket No. RM2017-11. This file provides the volumes needed to calculate the passthroughs using the approved methodology.

This file is:

FY2019 USPS Marketing Mail BD – Public Final.xlsx